VZCZCXRO2885 OO RUEHFK RUEHKSO RUEHNH DE RUEHKO #1978/01 2392135 ZNY CCCCC ZZH O 272135Z AUG 09 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC IMMEDIATE 5777 INFO RUEHBJ/AMEMBASSY BEIJING IMMEDIATE 0671 RUEHBY/AMEMBASSY CANBERRA IMMEDIATE 3248 RUEHUL/AMEMBASSY SEOUL IMMEDIATE 7334 RUEHFK/AMCONSUL FUKUOKA IMMEDIATE 6132 RUEHNH/AMCONSUL NAHA IMMEDIATE 8464 RUEHOK/AMCONSUL OSAKA KOBE IMMEDIATE 9941 RUEHKSO/AMCONSUL SAPPORO IMMEDIATE 6645 RHEHAAA/WHITE HOUSE WASHDC IMMEDIATE RUEHIN/AIT TAIPEI IMMEDIATE 7450 RUEAIIA/CIA WASHDC IMMEDIATE RUCPDOC/DEPT OF COMMERCE WASHINGTON DC IMMEDIATE RHEFDIA/DIA WASHINGTON DC IMMEDIATE RHHMUNA/HQ USPACOM HONOLULU HI IMMEDIATE RHEHAAA/NSC WASHDC IMMEDIATE RUEATRS/TREASURY DEPT WASHDC IMMEDIATE RHMFISS/USFJ IMMEDIATE

C O N F I D E N T I A L SECTION 01 OF 05 TOKYO 001978

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SUBJECT: DPJ POISED FOR MAJOR VICTORY IN THE 2009 JAPANESE LOWER HOUSE ELECTION $\,$

Classified By: AMB John V. Roos, Reasons 1.4(b),(d).

11. (C) Summary: On August 30, Japanese voters will choose between 50 years of nearly unbroken rule by the Liberal Democratic Party (LDP) and its coalition partners, or give the opposition Democratic Party of Japan (DPJ)-which has called for major changes in the way Japan is governed, spends its resources, and conducts its foreign policy-a chance to lead. Stressing "regime change," the DPJ appears poised to rout the LDP, which has run its campaign on the importance of experience and responsibility. Mission Japan's own survey of electoral districts nationwide also projects a DPJ victory, but by a smaller margin than those of news organizations. The calendar of international events makes it likely that a new government will be in place by the week of September 14 at the latest. End summary.

THE ROAD TO THE ELECTION

- 12. (SBU) In the previous Lower House election in 2005, then-Prime Minister Koizumi's making the election a referendum on his plan to privatize Japan's postal system helped the LDP capture 303 of 480 Diet seats. Following Koizumi's tenure as prime minister, however, the party's popularity has declined due to three changes of leadership in four years, the loss of millions of pension records, numerous political scandals, and the perception that LDP-style politics is outdated and unable to address Japan's growing employment and public welfare problems, as well as a once-in-a-generation economic recession. Propelled by voter frustration with the ruling party, the DPJ and two smaller parties combined to capture a majority of seats in the 2007 Upper House election, leading to a divided legislature.
- 13. (SBU) The DPJ has maintained its momentum since then with a series of victories in local and mayoral elections, capped by a decisive victory in the July 12 Tokyo Assembly election. Amid these defeats, Prime Minister Aso's approval rating dipped below 20% and a movement began within the party to replace him as Prime Minister. The movement ended, however, when Aso dissolved the Diet on July 21.

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- ¶4. (SBU) The LDP and DPJ's platforms have focused on bread-and-butter issues such as jobs, pensions, social welfare, and government reform. For example, the DPJ has pledged a \$275 monthly credit to help families raise each child, while the LDP has pledged free high school education. Foreign policy and national security issues do not rank high among the topics that matter to voters. Despite both parties' efforts to show otherwise, polling has revealed that many voters have had trouble distinguishing clear-cut policy differences between the two parties.
- 15. (SBU) What instead distinguishes the parties for many voters is the dichotomy between the status quo (LDP) and change (DPJ). DPJ leadership has played up this distinction by adopting "regime change" as its campaign slogan and by running a higher proportion of young and female candidates compared to the LDP. This has turned out to be a winning strategy for the DPJ, as polls show that most Japanese believe their country, in the midst of its worst postwar recession and facing daunting demographic challenges, is headed in the wrong direction. Consequently, many plan to vote for the DPJ despite being skeptical about its experience and competency. As one Embassy contact said: "We need change, although I don't know what will change if the Democrats win."

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U.S. AND SECURITY-RELATED ISSUES

- 16. (C) Although the DPJ and LDP have campaigned on comparable domestic policies, they support different approaches to security and U.S.-related issues. To appease more liberal DPJ members and Social Democratic Party (SDP) partners, the DPJ has called for "changes" to the base realignment plan, the Status of Forces Agreement, and Japan's refueling support for Operation Enduring Freedom. The DPJ has kept its proposed changes vague enough, however, to reassure more conservative members and voters that a DPJ-led government will pursue cautious foreign policies. In response, the LDP has tried to brand the DPJ as soft and inconsistent on foreign policy, while portraying itself as the only party capable of defending Japan. The LDP has played up its strong image in its manifesto by proposing to revise constitutional restrictions on self-defense and allow Japanese Self-Defense Forces to participate in more U.N. peacekeeping operations. This strategy, however, has not resonated with the Japanese public, only 3% of whom rate international security as the top issue in the election.
- 17. (C) Although some in the local media have expressed concern about the DPJ's foreign and national security policy stances, Post's senior DPJ contacts have hinted that party policies announced during the campaign period will be adjusted once the DPJ takes over. In fact, several controversial policy pledges involving SOFA revision and base relocation were notably missing from the DPJ official manifesto. Many analysts predict that during its first year as the ruling party, the DPJ will want to focus on domestic issues like pension reform, education and other pocketbook issues, instead of pursuing contentious issues with the United States that would distract from this domestic focus.

18. (SBU) Although this election has raised questions about the United States' future relationship with Japan, more significant for a majority of Japanese voters is the election's possible effect on domestic issues, such as economic recovery, social welfare, and political structure.

- 19. (U) As a result, interest from both the political world and general public has been unprecedented. A total of 1374 people have declared their candidacies for the Lower House election, with 1139 running in the 300 single-seat constituencies and 888 vying for 180 proportional representation spots. Breaking down the number of candidates by party, the LDP is running a total of 326 candidates for both single-seat and proportional representation slots. LDP coalition partner New Komeito is fielding 51.
- $\P 10.$ (U) For the first time, the DPJ has more candidates (330) in contention than the LDP. Notably with this election, the smaller opposition parties are stepping out of the way as the DPJ aims to end decades of LDP rule. The JCP, which in past elections has fielded candidates in nearly each of Japan's 300 single-seat electoral districts, is only submitting 152 names this year. Its leader, Kazuo Shii, has emphasized that the LDP regime must be bought down this time and has stated his party's intention to work with the DPJ where both parties' policies align, and 50% of JCP supporters have expressed their intention to vote for the DPJ candidate in the absence of their own. The DPJ's expected coalition partners in the Lower House, the SDP and PNP, are putting forth 37 and 18 candidates, respectively. United in opposition against the LDP-New Komeito ruling block, the DPJ, SDP, and PNP have been coordinating election strategy and have reportedly decided to support DPJ candidates who will face LDP candidates in 248 of the 300 single-seat constituencies where the smaller opposition parties are not

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fielding a candidate. The recently created Your Party, whose leader has said it would cooperate with the DPJ on policies of mutual agreement after the DPJ took power, is fielding 15 candidates. Other minor parties are listing 357 candidates and there are 69 Independent candidates.

PRE-ELECTION POLLING AND VOTING

- 111. (C) Polling by Japanese media (Yomuri Shimbun, Kyodo News) indicates that voters are leaning heavily towards the DPJ. Surveys conducted during the week preceding the election by several of the country's largest media organizations have predicted that the DPJ will win more than 300 seats, which would give the opposition party an absolute majority in the 480-seat Lower House. Some polls (Mainichi Shimbun, Tokyo Shimbun, Asahi Shimbun) even have the DPJ winning 320 or more seats, which would give the DPJ a "super majority" that would enable it to override the Upper House. Although agreeing that the DPJ was likely to gain a majority, Embassy DPJ contacts warned that above 300 may be too high a figure. DPJ President Yukio Hatoyama himself expressed unease with the media's predictions: "It seems to be too good. I feel it's unrealistic. If you're caught off guard, everything will change." Post's own internal research shows that the DPJ is indeed headed towards a victory on August 30, garnering around 300 seats, with the LDP coming in with around 121.
- 112. (C) Public opinion polls also show that there is record-level voter interest in Sunday's election. According to a Yomiuri Shimbun survey conducted August 18-20, 89% of respondents indicated their interest (59% saying they had "great interest," 30% "somewhat of an interest") in the general election. This represents the highest figure since the current Lower House election system's introduction in 11996. A telephone poll conducted by Fuji television a few days later on August 22-23 found a nearly identical result, with 89.2% of respondents saying they were interested in the Lower House election. The Fuji poll also had 75.5% of respondents saying they would vote "without fail," with 19.8% saying they would go to vote.

- 113. (U) True to its word, the Japanese public has been expressing its desire to participate in this summer's electoral contest by showing up in record numbers to vote early. According to the Ministry of Internal Affairs and Communications, 3,055,634 voters cast ballots in the five days after the official campaign started on August 18, a figure that represents 2.9% of all voters as of August 17. This is a big jump from the 2.01 million early ballots in the previous Lower House election in 2005.
- 114. (U) Despite the large number of early voters, it is the number of voters who turn up at the polls on August 30 that is of greater interest to both parties, as voter turnout could affect the final result in a significant way. Most see a high turnout as harmful to the LDP-New Komeito coalition, which relies on organized support to obtain votes. A higher than usual turnout would, on the other hand, be beneficial to the DPJ, as voters with no party affiliation have tended to vote for the party with momentum, which this time is the DPJ. In fact, 43% of voters who said they were unaffiliated with a particular political party said they were likely to vote for the DPJ in the proportional representation section of the election, as opposed to 15.8% for the LDP.

BIG LDP NAMES EXPECTED TO FALL

115. (C) Significantly, many LDP bigwigs are expected to lose, including former Prime Minister Toshiki Kaifu, former Foreign Minister and LDP Machimura faction leader Nobutaka

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Machimura, former Finance Minister Shoichi Nakagawa, and former LDP Secretary General Tsutomu Takebe. Current Cabinet members are also in trouble. Finance Minister Kaoru Yosano; Defense Minister Yasukazu Hamada; Justice Minister Eisuke Mori; Education Minister Ryu Shionoya; Minister of Land, Infrastructure, Transport and Tourism Kazuyoshi Kaneko; Minister of State for Science and Technology Policy, Food Safety and Consumer Affairs Seiko Noda; and Minister of State for Regulatory, Administrative and Civil Service Reform Akira Amari are all fighting very close races, and could be out of the Diet, let alone the Cabinet, after August 30.

116. (C) Reporting from our Consulates also show the LDP and some of its political dynasties facing serious threats all around the country. In the Kanto and Tokyo regions, the LDP is expected to win only 15 seats out of 89 single seats, losing most of its current 77 seats. Many LDP and Komeito senior leaders in the Kansai region could be more fortunate and hold onto their seats; however, most of the once-famed "Koizumi children" are likely to lose. Yoichi Miyazawa, nephew of former Prime Minister Kiichi Miyazawa, for example, may have to give up the district his family members have traditionally held to a DPJ candidate. In the Kyushu region, influential LDP senior members such as former LDP Secretary General Makoto Koga (9 terms), former Defense Minister Fumio Kyuma (9 terms), former LDP Vice President Taku Yamasaki (12 terms), and former Construction Minister Takeshi Noda (12 terms) may be defeated.

POST-ELECTION SCENARIO AND FORMATION OF THE NEW GOVERNMENT

117. (U) Within 30 days of the August 30 election, a special session of the Diet must be held. On the first day of the session, a Lower House plenary session is held to elect a new Speaker and Vice Speaker, designate seating for Lower House members, select Steering Committee members, and nominate a new Prime Minister. A minimum of three days after this Lower House plenary session, the opening ceremony of the Diet's special session is held at the Upper House. The newly

elected Speaker presides over this ceremony and the Emperor officially calls the session into order.

- 118. (U) Once sworn in by the Emperor, the Prime Minister can officially appoint his/her ministers designate. In reality, however, the Prime Minister-Designate is likely to have lined up his or her Cabinet picks in advance. After he or she has been nominated, the Prime Minister-Designate usually sets up a Cabinet Formation Headquarters in the "kantei" (Prime Minister's Office) for deliberation, then calls in the Ministers-Designate to inform them which position they are requested to take. As a final step, the Emperor officially approves the Prime Minister's picks for the Cabinet positions. Although there is no law that limits the number of days within which a Cabinet must be formed, prime ministers traditionally have appointed their ministers within a week of being designated.
- 119. (C) Embassy DPJ contacts have indicated that although no decision can be made until after the August 30 election, the calendar of international events in September will dictate that the new Cabinet be formed by the week of September 14 "at the latest." With a senior-level meeting at the UN on climate change on September 22, speeches by world leaders at UNGA on September 23-24, and the Pittsburgh Summit on September 24-25, however, some have predicted that the new government will be in place even sooner, perhaps by the week of September 7. Others in the media (Sankei Shimbun) have speculated on a much later date (September 18) for the new Cabinet's inauguration. Assuming a DPJ victory, the margin thereof will also affect talks with potential coalition partners, Cabinet composition, and ultimately the timetable for the formation of the new government.

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